

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6132**

**BILL NUMBER:** HB 1138

**NOTE PREPARED:** Feb 9, 2009

**BILL AMENDED:** Feb 9, 2009

**SUBJECT:** Primary Care Physician Loan Forgiveness Program.

**FIRST AUTHOR:** Rep. Reske

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) The bill establishes a primary care loan forgiveness program (PCLFP) and the primary care loan forgiveness fund (PCLFF). The bill requires the State Student Assistance Commission (SSAC) to administer the program and fund. The bill specifies the maximum amount that may be paid each year to a qualifying primary care physician. The bill establishes eligibility criteria. (The introduced version of this bill was prepared by the Health Finance Advisory Committee.)

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** (Revised) *Summary:* PCLFF Uses & Funding Sources- Monies from the PCLFF would be used for loan forgiveness of qualified primary care physicians. A loan forgiveness payment would equal the lesser of either the balance of a physician's student loan total or \$5,000. It is unknown how many qualified physicians would apply to the PCLFF for relief of student loans. The bill would allow money in the PCLFF to be used for administration of the PCLFF. The PCLFF would consist of General Assembly appropriations and gifts to the fund. The impact to state expenditures would depend on the level of appropriations and gifts to the PCLFF.

Medical Education Board- The Medical Education Board (MEB) would be required to annually provide to the SSAC the number primary care physician medical residents serving in Indiana.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** SSAC; Treasurer of State; MEB.

**Local Agencies Affected:**

**Information Sources:**

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